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CONFIDENTIAL STATE 095000

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E.O. 12958: DECL: 09/03/2018

TAGS: <u>ASEC PGOV PHUM PREF PREL SU</u>
SUBJECT: SUDAN - RESPONSE TO NORWEGIAN/US OIL INITIATIVE

REF: A. (A) KHARTOUM 1275 **1**B. (B) KHARTOUM 1212

Classified By: PCarter for reasons (a) and (d)

- (U) This is an action request. Please see para. 5. ¶1.
- (C) The Department is interested to learn more about Norway,s thoughts on a potential joint Norwegian/United States initiative in Sudan aimed at developing an Abyei and post-2011 oil revenue sharing agreement. We agree that such an initiative should be done in parallel to the ongoing proceedings on Abyei at the Permanent Court of Arbitration (PCA) in The Hague.
- (C) The issue of resource and wealth sharing between the parties to the Comprehensive Peace Agreement (CPA) preand post-2011 is crucial to the maintenance of peace in Sudan over the long run. We agree that it might be difficult to get the Sudan People,s Liberation Movement (SPLM) in the South to focus on pursuing a parallel negotiation track now that the issue of Abyei and its oil-rich borders has been sent to the PCA per the June 8 Abyei Road Map. However, at present there are no viable options in play for the parties to deal with Sudan,s oil wealth in the event of a Southern secession vote in the 2011 referendum or, for that matter, for continued oil-revenue sharing after 2011 in the event that the South votes for unity. Pursuing a dialogue that attempts to address the political equities at stake in the PCA proceedings, while moving towards a way to address a potentially divided country, is worthwhile.
- (C) We agree with Post,s assessment that UK efforts on the issue of wealth sharing, including its ideas on debt relief, are not helpful at this time. Department therefore concurs with the ref (A) suggestion to approach any potential wealth sharing initiative with only the Norwegians.
- (C) ACTION KHARTOUM: Post is requested to engage directly with Norwegian Petroleum Advisor Anders Hannevik on the content of a potential initiative, the level of involvement and resources necessary, and the associated time line and benchmarks of the project as soon as is practical.
- (U) For additional questions Post should contact AF/SPG Pamela Fierst at fierstpd@state.sgov.gov.
- (U) Department thanks Post in advance for its work on this initiative. RICE